

STATE OF OREGON

COUNTY OF CURRY

PERMIT TO APPROPRIATE THE PUBLIC WATERS

THIS PERMIT IS HEREBY ISSUED TO

PARADISE LODGE, LLC.
3140 JUANIPERO WAY 210
MEDFORD, OR 97504

The specific limits and conditions of the use are listed below.

APPLICATION FILE NUMBER: S-87036

SOURCE OF WATER: LOST CREEK RESERVOIR UNDER PERMITS R-8141 AND R-8142,
A TRIBUTARY OF ROGUE RIVER

PURPOSE OR USE: IRRIGATION USE ON 12.9 ACRES AND SUPPLEMENTAL IRRIGATION
USE ON 44.9 ACRES

MAXIMUM VOLUME: 110.0 ACRE FEET

PERIOD OF USE: APRIL 1 THROUGH OCTOBER 31

DATE OF PRIORITY: NOVEMBER 13, 2007

POINT OF DIVERSION LOCATION: SW $\frac{1}{4}$ SW $\frac{1}{4}$, SECTION 18, TOWNSHIP 33 SOUTH,
RANGE 10 WEST, W.M.; 500 FEET SOUTH AND 720 FEET EAST FROM SE CORNER,
SECTION 24, TOWNSHIP 33 SOUTH, RANGE 11 WEST, W.M.

The amount of water used for irrigation under this right, together with
the amount secured under any other right existing for the same lands, is
limited to a diversion of ONE-EIGHTIETH of one cubic foot per second and
4.5 acre-feet for each acre irrigated during the irrigation season of
each year.

THE PLACE OF USE IS LOCATED AS FOLLOWS:

	<u>PRIMARY</u>	<u>SUPPLEMENTAL</u>
NE $\frac{1}{4}$ SW $\frac{1}{4}$	2.5 ACRES	7.0 ACRES
NW $\frac{1}{4}$ SW $\frac{1}{4}$	2.5 ACRES	25.0 ACRES
SW $\frac{1}{4}$ SW $\frac{1}{4}$		6.5 ACRES

SECTION 18
TOWNSHIP 33 SOUTH, RANGE 10 WEST, W.M.

	<u>PRIMARY</u>	<u>SUPPLEMENTAL</u>
SE ¼ SE ¼	1.3 ACRES	1.2 ACRES
	SECTION 24	
NE ¼ NE ¼	6.6 ACRES	5.2 ACRES
	SECTION 25	
TOWNSHIP 33 SOUTH, RANGE 11 WEST, W.M.		

Measurement, recording and reporting conditions:

- A. Before water use may begin under this permit, the permittee shall install a totalizing flow meter or other suitable measuring device as approved by the Director at each point of diversion. The permittee shall maintain the meter or measuring device in good working order, shall keep a complete record of the amount of water used each month, and shall submit a report which includes the recorded water use measurements to the Department annually or more frequently as may be required by the Director. Further, the Director may require the permittee to report general water-use information, including the place and nature of use of water under the permit.
- B. The permittee shall allow the watermaster access to the meter or measuring device; provided however, where the meter or measuring device is located within a private structure, the watermaster shall request access upon reasonable notice.

The use of water under this right is subject to the terms and conditions of Contract No. 089E101621, or a satisfactory replacement, between the Bureau of Reclamation and the applicant, a copy of which is on file in the records of the Water Resources Department.

The permittee shall install, maintain, and operate fish screening and by-pass devices consistent with current Oregon Department of Fish and Wildlife (ODFW) standards. Fish screening is to prevent fish from entering the proposed diversion while by-pass devices provide adequate upstream and downstream passage for fish. The required screen and by-pass devices are to be in place and functional, and approved in writing by ODFW prior to diversion of any water. The permittee may submit evidence in writing that ODFW has determined screens and/or by-pass devices are not necessary.

Use of water under authority of this permit may be regulated if analysis of data available after the permit is issued discloses that the appropriation will measurably reduce the surface water flows necessary to maintain the free-flowing character of a scenic waterway in quantities necessary for recreation, fish and wildlife in effect as of the priority date of the right or as those quantities may be subsequently reduced.

The permittee shall not construct, operate or maintain any dam or artificial obstruction to fish passage in the channel of the subject stream without providing a fishway to ensure adequate upstream and downstream passage for fish, unless the permittee has requested and been granted a fish passage waiver by the Oregon Fish and Wildlife Commission. The permittee is hereby directed to contact an Oregon Department of Fish and Wildlife Fish Passage Coordinator, before beginning construction of any in-channel obstruction.

At the time of perfection, the permittee may request that the use be certificated as primary irrigation, if water has been used beneficially according to the terms and conditions of this permit, and if underlying primary water rights are simultaneously diminished or canceled.

STANDARD CONDITIONS

Failure to comply with any of the provisions of this permit may result in action including, but not limited to, restrictions on the use, civil penalties, or cancellation of the permit.

Where two or more water users agree among themselves as to the manner of rotation in the use of water and such agreement is placed in writing and filed by such water users with the watermaster, and such rotation system does not infringe upon such prior rights of any water user not a party to such rotation plan, the watermaster shall distribute the water according to such agreement.

If the riparian area is disturbed in the process of developing a point of diversion, the permittee shall be responsible for restoration and enhancement of such riparian area in accordance with ODFW's Fish and Wildlife Habitat Mitigation Policy OAR 635-415. For purposes of mitigation, the ODFW Fish and Wildlife Habitat Mitigation Goals and Standards, OAR Chapter 635, Division 415.

The use may be restricted if the quality of the source stream or downstream waters decrease to the point that those waters no longer meet existing state or federal water quality standards due to reduced flows.

This permit is for the beneficial use of water without waste. The water user is advised that new regulations may require the use of best practical technologies or conservation practices to achieve this end.

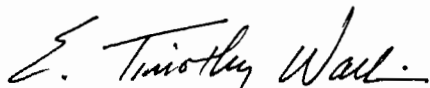
By law, the land use associated with this water use must be in compliance with statewide land-use goals and any local acknowledged land-use plan.

The use of water allowed herein may be made only at times when sufficient water is available to satisfy all prior rights, including prior rights for maintaining instream flows.

Completion of construction and complete application of the water to the use shall be made on or before October 1, 2013. If the water is not completely applied before this date, and the permittee wishes to continue development under the permit, the permittee must submit an application for extension of time, which may be approved based upon the merit of the application.

Within one year after complete application of water to the proposed use, the permittee shall submit a claim of beneficial use, which includes a map and report, prepared by a Certified Water Rights Examiner.

Issued May 14, 2009



for Phillip C. Ward, Director
Water Resources Department